

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

RBA No. 93 /2018
GST Circular No. 30 /2018

No. 2017/ACII/1/6/VolIII(PAN)

New Delhi, dated: 6.09.2018

**General Managers,
All Zonal Railways and Production Units**

Sub: Erroneous Income Tax Deduction effected on Dues receivable by Railways.

A serious anomaly has come to the notice of Ministry of Railways regarding erroneous deductions made in receivables of Indian Railways. During financial year 2017-18, some Railways' customer viz., Konkan Railway Corporation, State Bank of India, Power Grid Corporation of India Limited, etc have deducted Income Tax at source, while releasing the amount due to Indian Railways. This has apparently happened due to erroneously quoting Ministry of Railways' Income Tax Permanent Account Number (ITPAN), which has procured solely for registering under the GST regime. It is really incomprehensible as to how and why the ITPAN number has been given by any Department for any other purpose other than GST. **In this regard, attention is drawn to Railway Board's letter No. 2017/AC-II/1/6/Main (Vol.II) dated 19.06.2017 (RBA No. 73/2017), wherein it was clearly mentioned that this ITPAN has to be used for the purpose of GST Registration only. It was also brought out in Board's letter dated 26.12.2017 issued as RBA 181/2017, that Ministry of Railways being a Central Government Ministry, is not subject to payment of Income Tax as per the Income Tax Act, 1961. No party is authorized to make any deduction at source towards Income Tax from dues of Ministry of Railways.**

Despite this, some Railways have permitted deductions in dues of Railways, in the name of TDS. Please ensure that a comprehensive review is undertaken by all the Departments, to identify transactions where amount receivable by Railways has been affected by Income Tax Deducted at Source. In case Income Tax has been deducted at source, then, action has to be taken to recover the same from the concerned Customers. Action taken on this matter may be reported by 14th September, 2018.



(A.K. Prasad)

Financial Commissioner (Railways)